This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 08 TEL AVIV 000997

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

12. Iran: Nuclear Program

Key stories in the media:

On Sunday, Ha'aretz reported that Acting PM Ehud Olmert briefed the US administration last week on the main thrust of his political plan before he delivered it to the local media in interviews this past weekend. The newspaper quoted GOI sources as saying that Olmert wanted to avoid surprising the Americans with his statements on the future of the political process. Ha'aretz wrote that the Americans understood the message and refrained from public comment. Internal Security Minister Gideon Ezra was quoted as saying on Sunday in an interview with The Jerusalem Post that in the absence of an agreement with the Palestinians, Olmert intends to keep the West Bank under IDF control even after all the settlements beyond the security fence are evacuated.

Major media (banner in Yediot) reported that Secretary of State Condoleezza Rice announced on Sunday on her way to Indonesia that the US is considering increasing humanitarian aid to the Palestinians. She also urged Hamas to choose a peaceful path to government. On Sunday, Hatzofe cited the British daily The Financial Times as saying that the US is pressuring moderate elements in the PA not to join the Ismail Haniyeh government. On Sunday, The Jerusalem Post quoted sources close to Hamas as saying that PA Chairman [President] Mahmoud Abbas has warned Hamas that he will not approve its new cabinet unless it recognizes all agreements signed with Israel.

Israel Radio and other media reported that two Palestinian youths were caught with 15 to 20 kg of explosives at the Beit Iba checkpoint west of Nablus. The radio cited the defense establishment as saying that the explosives were probably meant to be used in a bombing in central Israel during the Purim holiday.

Major media reported that the IDF went on high alert on Sunday along the northern border with Lebanon due to warnings of a possible Hizbullah attack. Ha'aretz reported that Usbat-al-Ansar, the Lebanon-based Palestinian organization that maintains close ties with some of the al-Qaida networks, has a front line relatively close to the border with Israel, in the Ain el Helweh refugee camp. Over the weekend, all media cited the Lebanese daily As-Safir as saying that Lebanese authorities have arrested an al-Qaida-affiliated terror cell.

Ha'aretz quoted Israeli intelligence sources as saying that Iran continues to urge Islamic Jihad to carry out terror attacks against Israel ahead of the Knesset elections, and that the Iranian pressure on Islamic Jihad comes despite Tehran's declared support for Hamas and the fact that senior Hamas officials were invited to Tehran to celebrate the organization's victory in

the elections to the Palestinian Legislative Council. During the weekend, all media reported an announcement made by Hamas on Sunday that armed resistance is a legal right and method of achieving Palestinian rights. Hatzofe cited Hamas as saying that Saudi Arabia has decided to increase its financial aid to the

Ha'aretz reported that a senior US official told the newspaper last week that "if the Syrians think they've managed to get off the hook because there are other things on the agenda, they are mistaken. The Syrians have not been punished yet for their actions and we are continuing to study their conduct. Their luck will run out eventually." Ha'aretz quoted another senior US official as saying that Syria will "soon" receive extra attention when new measures against it are unveiled. Ha'aretz wrote that several senior US administration officials have stressed to Ha'aretz in recent days that "we have not forgotten about Syria" and that "several hinted in recent weeks in conversations with colleagues that further plans might soon be implemented with the aim of increasing pressure on Syria." Ha'aretz quotec sources at the US Department of Defense and at Ha'aretz guoted intelligence agencies as saying that Syria is continuing to allow terrorists to use it as a conduit to Iraq and to support terrorist organizations that undermine American policy in the Middle East. Ha'aretz quoted a diplomatic official as saying this weekend that the Syrian issue is bound up with the Iranian situation, as Tehran's apparent objective is to destabilize the entire region. The fact that Syria has "a weak leadership," the source was quoted as saying, gives the Iranians an advantage they never had before. [Former president] Hafez Assad always held the Iranians as a card in his pocket, but in the case of [current President] Bashar Assad, the Iranians are the ones holding him as a card in their pocket." Ha'aretz reported that last Thursday, the US Treasury Department instructed American financial institutions to sever all links with the Commercial Bank of Syria and its subsidiary, the Syrian Lebanese Commercial Bank, which the administration says have been used to launder terror funds. The treasury announcement also stated that the Syrian government itself made use of the bank to facilitate "international terrorist activity."

On Sunday, Ha'aretz reported that James Wolfensohn, the Quartet's special envoy on the disengagement, has announced that he will be stepping down in April and closing his office unless his mandate is revised. Today, The Jerusalem Post wrote that Wolfensohn's Today, T "threat" "threat" came against a background of uncertainty inside the Quartet over how to deal with a Hamas-led PA government once it is formed.

The Jerusalem Post quoted a GOI official as saying that Israel will not make an issue over British Foreign Secretary Jack Straw's statement last week that after

STPDTS

the world deals with Iran's nuclear "threat," it will deal with Israel's. On Sunday, Ha'aretz quoted Defense Minister Shaul Mofaz as saying that former IDF Chief of Staff Moshe Ya'alon's comments on the Israeli capability of striking Iran's nuclear installations were uncalled for. On Sunday, Yediot reported that a delegation from the anti-Zionist Ultra-Orthodox Jewish group Neturei Karta visited Iran to express their identification with Iranian President Mahmoud Ahmadinejad's call for the elimination of Israel. .

The Jerusalem Post quoted PA officials as saying on Sunday that a number of Arab countries have agreed to hand over to the PA top Palestinian officials suspected of involvement in financial corruption, and that some of the suspects have already arrived in the Gaza Strip from Egypt.

Major media reported that the state prosecutor's office has instructed the police to open an investigation against former Knesset Speaker Avraham Burg over alleged wrongdoing in the sale of a factory to a consortium of which Burg is a member.

During the weekend, the media extensively reported on the death of former Yugoslav and Serbian President Slobodan Milosevic in his prison cell in The Hague.

On Sunday, The Jerusalem Post reported that in a speech Friday to the National Newspaper Association conference, President Bush tied the Dubai ports deal to the war on terror and warned that the collapse of the deal might hurt the United States' effort to recruit Middle Eastern countries to support the campaign against terrorism.

On Sunday, Ha'aretz cited AP that two militants were executed by hanging Saturday for the killing of US diplomat Lawrence Foley in Amman.

Ha'aretz reported that the Labor Party aims to be a major force in Olmert's post-election government. On Sunday, Yediot reported that the Likud's platform has no "political horizon," but three tough principles: no to a Palestinian state, to transfer of money to a Hamas government, and no employment of Palestinian workers in Israel. Leading media quoted Likud Chairman Binyamin Netanyahu as saying that his party will not join a Kadima-led government.

Yediot reported that The New York Times has lodged a complaint with the Israel Police, saying that an unknown body is conducting a public opinion poll about the elections without its knowledge. Yediot quoted Steven Erlanger, The New York Times' correspondent in Israel, as saying that his newspaper is not holding any elections-related poll in Israel.

All media reported that on Sunday, the government announced a plan to promote affirmative action for Arabs, Ethiopian immigrants, and the disabled. The media cited opposition arguments that the plan smacks of election propaganda.

Yediot and Maariv reported that parts of cars stolen in Israel are popular in Iraq.

Maariv reported that "like in the White House," Olmert will name a chief of staff in the Prime Minister's Office. Maariv wrote that former Restraint of Trade Commissioner Dr. Yoram Turbovitz is the leading candidate for the post.

1. Mideast:

Summary:

Independent, left-leaning Ha'aretz editorialized:
"[Ehud Olmert's] generates hope that Israel's
initiation of a unilateral process will cause the
Palestinians to recognize the major change that is
under way here: instead of the trend of expansion that
has characterized Israel until recently, it is moving
toward convergence."

Chief Economic Editor Sever Plotker wrote in the editorial of mass-circulation, pluralist Yediot Aharonot: "Those who draw maps are like those who trade in dreams: they are trying to sell us hopes that have already expired."

Nationalist, Orthodox Hatzofe editorialized: "Olmert is acting in accordance with Hamas's interests."

Block Quotes:

¶I. "Convergence With Hope"

Independent, left-leaning Ha'aretz editorialized (March "It is clear that a withdrawal that takes place with the agreement of the opposite side is preferable to a unilateral pullout, which will not lead to the end of the conflict. However, from the perspective of nearly 40 years of occupation, it is appropriate to look at the overall picture created by Olmert's plan -and it generates hope that Israel's initiation of a unilateral process will cause the Palestinians to recognize the major change that is under way here: instead of the trend of expansion that has characterized Israel until recently, it is moving toward convergence. Instead of adding settlements and enlarging them, it is limiting the number of settlements as well as the area they cover. When this happens, the Palestinians will understand that Israel's line of thought has indeed changed. The line that began in the Gaza evacuation, continued in Amona and will keep going during evacuation of West Bank settlements will then be clear to them as well. this happens, the Palestinians will conclude that it is not worth it to let the Israelis set the border unilaterally, because then they will not be able to influence their own border. Thus, there is hope that beginning the process of unilateral convergence will serve as a catalyst that will lead both sides to negotiate a final-status agreement that is of benefit to them both.

Chief Economic Editor Sever Plotker wrote in the editorial of mass-circulation, pluralist Yediot Aharonot (March 13): "A groundless and ridiculous idea has been making the rounds in the Israeli political establishment, and has even made its way into the American political establishment: the idea that the Israeli government will be able to unilaterally determine our border with the Palestinian Authority. This idea has recently been adopted by Kadima, and acting Prime Minister Ehud Olmert has expressed it eloquently in his many media interviews.... [Israeli history shows that] there is no final border without a final status arrangement, and therefore Israel has no chance of unilaterally establishing its border with the Palestinian Authority. For such a border to receive minimal international recognition, its route will have to take into account the needs and national aspirations of the Palestinians, and to be acceptable to them as well -- no matter who their elected leaders are at the time. It is also ridiculous to assume that the talk of 'determining a final border' is in any way threatening to the Palestinian administration. Especially not now: any Israeli plan for an unilateral evacuation of territories, even a partial evacuation, serves and strengthens the rule of Hamas and its hold on the Palestinian public. As for President Bush, his popularity is so low and his Middle East policy so deeply mired in the mud, that there is no positive diplomatic value to coordinating ideas and interviews with him.... No, we are not a victorious empire that will be able to draw its borders at will on the sand of the Middle Eastern desert. We have not received permission for this in the past, and will not be given such permission in the future. Those who draw maps are like those who trade in dreams: they are trying to sell are hopes that have already expired." us hopes that have already expired.

III. "Olmert is Hamas's Darling"

Nationalist, Orthodox Hatzofe editorialized (March 12): "Information that has reached Jerusalem showed that the Hamas leaders fear that they will be required to recognize Israel in exchange for withdrawals that would bring about a Palestinian state. Olmert's policy spares them that dilemma. Unlike Fatah, which signed diplomatic agreements with Israel, Hamas... is not obligated to recognize Israel. A unilateral Israeli withdrawal would allow Hamas to proclaim a Palestinian state without recognition from Israel. Hamas couldn't expect a better gift from Israel.... Thus, Olmert is acting in accordance with Hamas's interests. One day, he will receive the 'Hamas's Darling' prize. He deserves it."

12. Iran: Nuclear Program:

Summary:

The conservative, independent Jerusalem Post editorialized: "If America or NATO were to automatically exclude Israel from participation in a military operation against Iran's nuclear program, they would be subtly separating out a close Western ally and thereby subtly playing into Islamist demonization of Israel that is essentially no different from the demonization of the West itself."

Block Quotes:

"Ya'alon's Sensible 'Gaffe'"

The conservative, independent Jerusalem Post editorialized (March 13): "Last week, former IDF chief of General Staff Moshe Ya'alon caused a ruckus here with a speech he gave in Washington, where he said Israel was militarily capable of dealing a devastating blow to Iran's nuclear program. This week, Acting Prime Minister Ehud Olmert joined Ya'alon's critics, calling his remarks 'irresponsible'.... In the eyes of militant Islamists, certainly the regime in Tehran, there is no difference between the 'Crusaders' and the Jews -- or as that regime puts it, the 'Great Satan' (America) and the 'Little Satan' (Israel). If America or NATO were to automatically exclude Israel from participation in a military operation against Iran's nuclear program, they would be subtly separating out a close Western ally and thereby subtly playing into Islamist demonization of Israel that is essentially no different from the demonization of the West itself. Rather than criticizing Ya'alon for essentially saying as much, Olmert should, albeit delicately and in the

appropriate context, be saying it himself."

JONES